

ONE Minute Brief

1 April 2016

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Economic and Political News

South Africa registered a trade deficit of ZAR1.10bn in February, following a deficit of ZAR17.90bn in the prior month.

In February, on a monthly basis, the producer price index recorded a less-than-expected rise of 0.8% in South Africa, following an advance of 1.6% in the previous month.

South Africa's private sector credit growth climbed to 9.02% on an annual basis in February, compared to a rise of 8.54% in January.

In February, M3 money supply climbed 10.25% on an annual basis in South Africa, compared to a rise of 10.28% in the previous month.

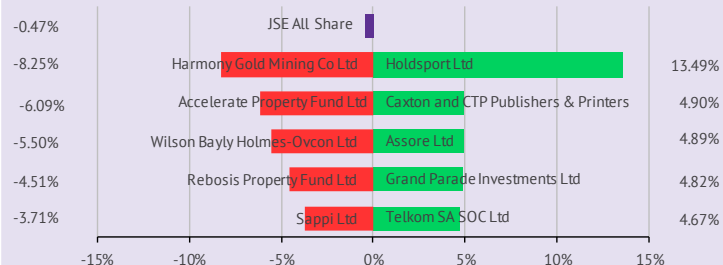
On a yearly basis, electricity production climbed 2.8% while consumption recorded a rise of 0.4% in February.

President Jacob Zuma indicated that he respected the judgment by the Constitutional Court on his non-security improvements to his home in Nkandla. The Court ruled that he should reimburse the state an amount to be determined by National Treasury within 45 days.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid losses in resources as well as gold mining sector stocks. Meanwhile, data revealed that South Africa's trade deficit narrowed in February. The JSE All Share Index fell 0.5% to close at 52,250.28.



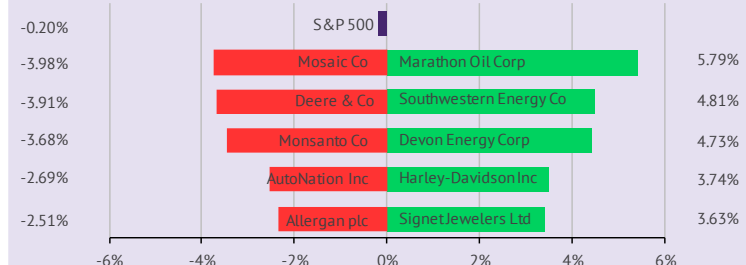
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52250.28	▼ -245.18	-0.47%	-0.14%	NA	5.74%	3.07%
JSE Top 40	46139.99	▼ -282.67	-0.61%	-0.45%	NA	5.34%	0.75%
FTSE 100	6174.90	▼ -28.27	-0.46%	1.12%	NA	1.28%	-1.08%
DAX 30	9965.51	▼ -81.10	-0.81%	1.16%	NA	4.95%	-7.24%
CAC 40	4385.06	▼ -59.36	-1.34%	1.28%	NA	0.72%	-5.43%
S&P 500	2059.74	▼ -4.21	-0.20%	1.17%	NA	6.60%	0.77%
Nasdaq Composite	4869.85	▲ 0.55	0.01%	2.02%	NA	6.84%	-2.75%
DJIA	17685.09	▼ -31.57	-0.18%	0.97%	NA	7.08%	1.49%

US Market ▼

The S&P 500 futures are trading in the red

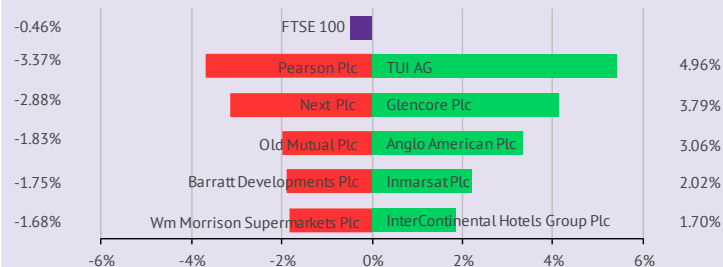
US markets closed lower yesterday, led by losses in material sector stocks. Data showed that the number of Americans who applied for new unemployment benefits rose last week to a two-month high. The S&P 500 Index dropped 0.2% to close at 2,059.74.



UK Market ▼

The FTSE 100 futures are trading in negative territory

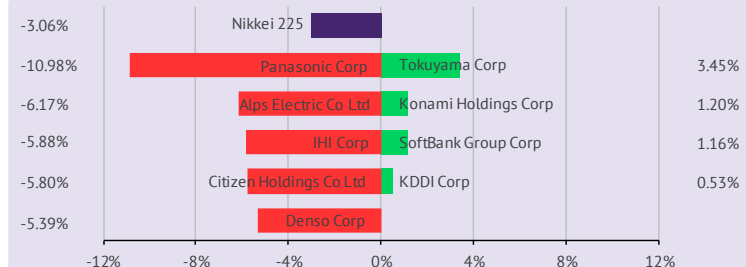
UK markets finished lower yesterday, reversing its gains in the previous session. Meanwhile, data indicated that UK's economy grew at a faster pace in 4Q15. However, current account deficit marked its highest level in 4Q15. The FTSE 100 Index declined 0.5% to close at 6,174.90.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning. Data revealed that growth in China's manufacturing activity picked up in March while in Japan, it contracted in March at the fastest pace in more than three years. The Nikkei 225 Index is trading 3.1% lower at 16,246.38.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.1% against the South African Rand to trade at R14.7779. Later in the session, traders will keep a track of the US ISM and Markit manufacturing Purchasing Managers' Indices (PMI) along with non-farm payrolls and unemployment rate data. Additionally, the Barclays manufacturing PMI and new vehicle sales data of South Africa will also be eyed for further direction.

The US Dollar fell against the South African Rand yesterday, after the number of fresh applications in the US for unemployment benefits increased to a two-month high level last week. Meanwhile, the Chicago Fed PMI jumped out of contraction territory in March. On the other hand, the Rand rallied after the Constitutional Court ordered President Jacob Zuma to repay the state for upgrades to his private home. Furthermore, South Africa's trade deficit narrowed in February.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% lower against the South African Rand at R21.1831. Later today, investors will keep a close watch on UK's Markit manufacturing PMI as well as South Africa's manufacturing PMI for further clues.

The British Pound declined against the South African Rand yesterday, even as data showed that the UK economy grew at a faster than expected pace in the 4Q15. The South African Rand was supported by a court's decision on President Zuma's home in Nkandla. Additionally, South Africa registered a drop in trade deficit in February.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.8204. Going forward, the Markit manufacturing PMI's of Eurozone and Germany will attract market attention. Additionally, Eurozone's unemployment rate data will be on trader's radar.

The Euro weakened against the South African Rand yesterday, after consumer price inflation in the Eurozone declined on a yearly basis in March. Additionally, Germany's retail sales surprisingly declined on a monthly basis in February. Separately, unemployment rate in Germany remained at 6.2% in March.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped marginally against the South African Rand to trade at R11.3051. Earlier in the session today, data revealed that manufacturing activity in China, Australia's biggest trading partner, expanded in March for the time since June 2015. Additionally, China's NBS non-manufacturing PMI climbed in the same month. Furthermore, manufacturing activity in Australia, expanded at its fastest pace in over a decade in March.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that growth in private sector credit in Australia quickened more-than-expected in the February.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.7779	▲	-1.20%	-4.46%	NA	-6.98%	-4.57%
GBPZAR	21.1831	▼	-1.35%	-2.98%	NA	-4.01%	-7.01%
EURZAR	16.8204	▲	-0.80%	-2.62%	NA	-2.64%	0.01%
AUDZAR	11.3051	▼	-1.32%	-2.54%	NA	-0.26%	-0.48%
EURUSD	1.1380	▼	0.36%	1.89%	NA	4.61%	4.73%
GBPUSD	1.4332	▼	-0.13%	1.58%	NA	3.17%	-2.59%
Brent (\$/barrel)	40.0	▼	2.73%	-0.27%	NA	10.28%	8.18%
Gold (\$/oz)	1231.5	▼	0.59%	1.03%	NA	-0.02%	16.41%
Platinum (\$/oz)	977.4	▲	1.28%	2.54%	NA	4.53%	9.52%
Copper (\$/MT)*	4880.5	▼	-0.46%	-1.94%	NA	3.72%	3.71%

*As of Previous Close

Gold ▼

Trading in the red

Gold prices reversed gains in the previous session and at 06:00 SAST, fell 0.2% to trade at \$1,231.50/oz.

Yesterday, gold prices rose 0.6% to close at \$1,234.20/oz, notching the metal's largest quarterly gain in three decades.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.9% lower to trade at \$39.97/bL.

Yesterday, Brent crude oil advanced 2.7% to settle at \$40.33/bL. However, gains in oil prices were kept in check, amid concerns over a continuing global supply glut. Meanwhile, a Reuter's survey indicated that OPEC's crude output rose in March to 32.47mn bpd from 32.37mn bpd.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.1% higher to trade at \$977.40/oz.

Yesterday, platinum prices climbed 1.3% to close at \$976.60/oz, rebounding from losses in the previous session.

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Major South Africa Corporate News

Exxaro Resources Limited

The company, in addition to its previous announcement regarding the retirement of SA (Sipho) Nkosi as the Chief Executive Officer of the company on March 31, 2016, also stated that he will cease to be a Director of the company from the same day.

Gold Fields Limited

In its FY15 results, the firm, indicated that its revenue fell to USD2.55bn from USD2.87bn posted in the preceding year. Its diluted headline loss stood at 4.00¢/share, compared with diluted headline EPS of 4.00¢ recorded in the prior year. Its profit before tax dropped substantially from the previous year to USD4.50mn.

Holdsport Limited

In its trading statement for 12 months ended February 29, 2016, the company, stated that its core headline EPS is expected to be in the range of 532.30c to 554.20c. It also expects its headline EPS to be between 498.50c and 519.00c. Its EPS is anticipated to rise in the range of 15.0% to 23.0% from the previous year.

Hosken Consolidated Investments Limited

The company announced that Leslie Maasdorp has resigned as the Director of the company with immediate effect as he plans to relocate to China.

Mediclinic International Plc

In its pre-close trading update for 11 months ended February 29, 2016, the firm, stated that its revenue rose to R12.26bn. It expects group net debt for the year to be below GBP1.65bn. Its year-end revenues are anticipated to show a year-on-year impact due to the timing of the Easter holiday compared with previous month.

Major Global Economic News

Asia

In March, the NBS manufacturing PMI in China recorded a less-than-expected rise to 50.20, compared to a level of 49.00 in the previous month.

China's NBS non-manufacturing PMI recorded a rise to 53.80 in March. In the prior month, the PMI had registered a level of 52.70.

The Caixin/Markit manufacturing PMI index in March advanced more-than-expected to a level of 49.70 in China, from a reading of 48.00 in February.

In March, the final Nikkei manufacturing PMI in Japan recorded a drop to 49.10, from a level of 50.10 in the prior month. The preliminary figure had also recorded a fall to 49.10.

The AiG performance of manufacturing index in Australia advanced to 58.10 in March, following a reading of 53.50 in February.

Eurozone

In March, the consumer price index in the Eurozone declined 0.1%, in line with market expectations. The index had recorded a drop of 0.2% in February.

Germany's seasonally adjusted unemployment rate remained unchanged at a level of 6.2% in March, in line with market expectations.

In February, on a monthly basis, retail sales in Germany unexpectedly dropped 0.4%, compared to a revised fall of 0.1% in the previous month. Market anticipation was for retail sales to advance 0.4%.

UK

The final gross domestic product (GDP) in the UK, advanced 0.6% on a quarterly basis in 4Q15, more than market expectations for a rise of 0.5%. GDP had climbed 0.4% in the previous quarter. The preliminary figure had recorded an advance of 0.5%.

In the UK, net consumer credit rose GBP1.30bn in February, compared to an advance of GBP1.60bn in the prior month.

UK recorded a current account deficit of GBP32.70bn in 4Q15, following a revised deficit of GBP20.10bn in the previous quarter. Market anticipation was for the nation to post a deficit of GBP21.20bn.

The number of mortgage approvals for house purchases in the UK, fell less-than-expected to a level of 73.90K in February, from a revised reading of 74.10 K in January.

US

The seasonally adjusted initial jobless claims in the US rose unexpectedly to a level of 276.00K in the week ended March 26, 2016, from market anticipations of a steady level of 265.00K.

In March, the Chicago Fed PMI in the US advanced to 53.60, compared to a level of 47.60 in the prior month. Market expectation was for the index to rise to a level of 50.70.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Tankan Large All Industry Capex (Q1)	✓✓	-0.90%*	10.80%	Quarterly
China	03:00	NBS Non-manufacturing PMI (Mar)	✓	53.80*	52.70	Monthly
China	03:00	NBS Manufacturing PMI (Mar)	✓✓	50.20*	49.00	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Mar)	✓✓	49.70*	48.00	Monthly
Japan	04:00	Nomura/ JIMMA Manufacturing PMI (Mar) (F)	✓✓	49.10*	49.10**	Monthly
Japan	07:00	Vehicle Sales (YoY) (Mar)	✓	-	-4.60%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Mar)	✓	0.40%	0.30%	Monthly
Switzerland	09:15	Real Retail Sales (YoY) (Feb)	✓✓	-	0.20%	Monthly
Spain	09:15	Markit Manufacturing PMI (Mar)	✓	54.00	54.10	Monthly
Switzerland	09:30	SVME - PMI (Mar)	✓✓	51.10	51.60	Monthly
Germany	09:55	Markit Manufacturing PMI (Mar) (F)	✓✓	50.40	50.40**	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Mar) (F)	✓✓✓	51.40	51.40**	Monthly
Italy	10:00	Unemployment Rate (Feb)	✓	11.50%	11.50%	Monthly
UK	10:30	Markit Manufacturing PMI (Mar)	✓✓	51.20	50.80	Monthly
Eurozone	11:00	Unemployment Rate (Feb)	✓✓	10.30%	10.30%	Monthly
South Africa	11:00	Barclays Manufacturing PMI (Mar)	✓✓	48.00	47.10	Monthly
US	14:30	Average Hourly Earnings All Employees (MoM) (Mar)	✓✓	0.20%	-0.10%	Monthly
US	14:30	Average Weekly Hours All Employees (Mar)	✓	34.50	34.40	Monthly
US	14:30	Unemployment Rate (Mar)	✓✓✓	4.90%	4.90%	Monthly
US	14:30	Underemployment Rate (Mar)	✓✓	-	9.70%	Monthly
US	14:30	Change in Non-farm Payrolls (Mar)	✓✓✓	205.00K	242.00K	Monthly
US	14:30	Change in Private Payrolls (Mar)	✓✓	190.00K	230.00K	Monthly
US	15:45	Markit Manufacturing PMI (Mar) (F)	✓✓	51.50	51.40**	Monthly
US	16:00	Construction Spending (MoM) (Feb)	✓✓	0.10%	1.50%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Mar) (F)	✓✓✓	90.50	90.00**	Monthly
US	16:00	ISM Manufacturing PMI (Mar)	✓✓	51.00	49.50	Monthly
US	-	Domestic Vehicle Sales (Mar)	✓	13.80mn	13.74mn	Monthly
US	-	Total Vehicle Sales (Mar)	✓	17.50mn	17.43mn	Monthly
South Africa	-	Naamsa Vehicle Sales (YoY) (Mar)	✓✓	-8.10%	-8.10%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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